

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 949 - SB 805

March 3, 2019

SUMMARY OF BILL: Enacts the *Governor's Investment in Vocational Education Act*, which requires the Tennessee Student Assistance Corporation (TSAC) Board of Directors to determine an additional dual enrollment grant (DEG) amount for dual enrollment courses taken related to programs identified as high-need areas in the workforce. Specifies that financial assistance received for all dual enrollment courses attempted after the fourth course will reduce the amount of any subsequent award of the Tennessee HOPE Scholarship on a dollar per dollar basis. This Act becomes effective July 1, 2020.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – Exceeds \$3,077,000/FY20-21 and Subsequent Years
Lottery for Education Account**

**Other Fiscal Impact – Recurring funding in an amount exceeding \$3,077,000
beginning in FY20-21 will not be available for transfer from the Lottery for
Education Account to the Tennessee Promise Special Reserve Account.**

Assumptions:

- Pursuant to Tenn. Code Ann. §§§ 49-7-112(b), 49-7-1209, and 49-7-1210, three annual reports relating to education and workforce needs were used to identify high-need workforce jobs in relations to programs and courses available at community colleges and technical colleges.
- Any dual enrollment grant award received after the fourth course will reduce the amount of any subsequent award of the Tennessee HOPE Scholarship on a dollar per dollar basis.
- Based on information provided by TSAC, the additional award amounts will only apply to the first four courses; therefore, no reduction in future HOPE Scholarship awards is expected as a result of this legislation.
- The proposed legislation requires the TSAC Board of Directors to determine the additional DEG award amount. Based on information provided by TSAC, it is assumed the total award will increase by \$800 per student taking community college courses; and will increase by \$600 per student taking technical college courses.

- Based on information provided by TSAC, there are currently 21,567 students receiving dual enrollment grants at community colleges. Out of these 21,567 students, it is estimated that at least five percent, or 1,078 ($21,567 \times 5\%$) students, are enrolled in a high-need workforce related program and will receive an increased award.
- The additional amount that these 1,078 students will receive is \$800 total per student.
- The recurring increase to state expenditures from the Lottery for Education Account beginning in FY20-21 is estimated to exceed \$862,400 ($1,078 \text{ students} \times \800).
- Based on information provided by TSAC, there are currently 4,921 students receiving dual enrollment grants at Tennessee Colleges of Applied Technology (TCAT). It is estimated that at least 75 percent or 3,691 ($4,921 \times 75\%$) of those students are enrolled in a high-need workforce related program and will receive an increased award.
- The additional amount set by the TSAC Board of Directors that these 3,691 students will receive is \$600 total per student.
- The recurring increase to state expenditures from the Lottery for Education Account beginning in FY20-21 is estimated to exceed \$2,214,600 ($3,691 \text{ students} \times \600).
- The total recurring increase to state expenditure from the Lottery for Education Account is estimated to exceed \$3,077,000 ($\$862,400 + \$2,214,600$) in FY20-21 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/lam